



**State of the State Address
Governor Ted Strickland
Columbus, Ohio
February 6, 2008**

Speaker Husted, President Harris, Leader Beatty and Leader Miller, Lt. Governor Fisher, statewide elected officials, members of the Cabinet, members of the General Assembly and the Supreme Court, distinguished guests, First Lady Frances Strickland, and my fellow Ohioans...

Last month, Ohio soldiers answered the call of duty in the largest single deployment of the Ohio National Guard since World War II.

Please join me in a moment of silent reflection in honor of these brave Ohioans and all the servicemen and women from Ohio who are nobly serving this state and nation, including a number of your colleagues in the legislature.

Let us pray for their safe return and for the comfort and strength of those who have suffered loss or injury.

...Thank you.

Ohioans have a rich history of patriotic service. And our veterans deserve nothing less than our best efforts to provide them the benefits they have earned. Unfortunately the services we provide are scattered among many programs, allowing too many veterans to fall through the cracks.

Today I am calling for the creation of the Ohio Department of Veterans Affairs. Consolidating our veterans programs in one cabinet-level agency will ensure that we serve our veterans more effectively – especially at a time when thousands of Ohioans will be coming home from the battlefield. I look forward to working with the General Assembly on this effort. Let us make Ohio known for its commitment to our entire military community.

Last year, you and I demonstrated that real progress is possible when we allow ourselves to be guided by bipartisanship, mutual respect and a desire to serve the common good.

We committed to live within our means and invest in what matters. I thank you for the respectful, constructive relationship we've built. It has served the people of Ohio well.

Here's some of what we've accomplished:

We cut property taxes for every senior citizen homeowner.

With no property taxes to pay on the first 25 thousand dollars of value in their homes, Ohio's senior homeowners will save an average of 400 dollars every year.

We passed legislation that guarantees every Ohio child has access to health care coverage, once we have approval from the federal government. And we expanded access to health coverage for pregnant women and disabled Ohioans. For young people aging out of foster care, we now provide coverage that continues to age 21.

Because there is no better way to strengthen our people and our state than investing in education, we made a commitment that begins with preschool and continues through adulthood.

In early care and learning, we expanded funding, access, and quality.

In primary and secondary education, we increased state funding by approximately 600 million dollars. In fact, we increased the state's share of education spending from 48 to 54 percent.

We funded the construction of 250 new schools. And each of those new schools will be built to meet nationally recognized standards of energy efficiency. That means not only a cleaner environment, but long-term cost savings for the life of those school buildings.

We froze tuition at Ohio's public colleges and universities for two years. Instead of the typical 9 percent annual increase, Ohio students and their families paid the same tuition this year that they paid last year.

Lt. Governor Lee Fisher, our director of the Department of Development, is working everyday to revitalize Ohio's economy.

We've seen many hopeful signs:

Amylin Pharmaceuticals is creating 500 new jobs and making a 400 million dollar investment in its West Chester production facility.

Cardinal Health will create 700 new jobs and make a 50 million dollar investment expanding its Dublin headquarters.

Continental Airlines is adding 700 jobs and investing 49 million dollars to expand its hub at Cleveland's Hopkins International Airport.

Ford will retain more than 1,400 jobs and invest 200 million dollars in its transmission manufacturing operation in Sharonville.

General Motors will retain more than 600 jobs and invest 332 million dollars in its Toledo Powertrain facility.

Goodyear will retain more than 2,900 jobs as it constructs a new headquarters in the 890 million dollar Akron Riverwalk project.

Tata Consultancy Services will create 1,000 jobs in Clermont County as it establishes its North American Delivery Center there.

And just yesterday General Motors announced a 69 million dollar investment in its DMAX diesel engine manufacturing plant in Moraine.

And these are just a few of the many significant investments companies have made in Ohio this past year.

Let me say a word about an action we should immediately take to bolster all sectors of our economy.

At the end of this year, rate stabilization of electricity prices will expire.

Quite frankly, jobs are at stake here. That's why I introduced the Energy, Jobs and Progress plan. By ensuring that electricity prices remain stable and that the supply of electricity is reliable, we can protect jobs in businesses large and small. And we can create new jobs by establishing Ohio as a leader in advanced energy.

I am grateful for President Harris' leadership in guiding the energy bill to a unanimous vote in the Senate.

It is now crucial for the House of Representatives to complete work on this legislation as soon as possible. I look forward to standing alongside President Harris, Leader Miller, Speaker Husted and Leader Beatty when I sign this bill into law. It is my hope it will be but the latest example of bipartisan cooperation in Ohio.

And we're continuing to push for solutions to the foreclosure crisis.

Home ownership is the very foundation of the American dream. And a foreclosure on a home is a loss for everyone. It harms the family that loses their house. It harms the lender that typically loses much of its investment. And it harms the community where the foreclosed house may well sit vacant.

Last year, I created the Foreclosure Prevention Task Force to rapidly examine how we could best respond to this issue. Following the task force's recommendations, I proposed a compact between lenders and the state.

We asked lenders to agree to a set of common sense practices, including giving borrowers six months notice of any rate change in their mortgage and providing regular updates to the state on the foreclosure situation.

But instead of working with us, the subprime lenders stayed silent.

That is unacceptable. Quite frankly, they should be ashamed.

We will not sit idly by and watch subprime lenders weaken our families and communities.

If they refuse to work with us to protect Ohio homeowners then we will take action. I have ordered my Director of Commerce to draft rules that will include many elements of the foreclosure compact and will require the industry to follow them.

I'm committed to doing whatever it takes to get subprime lenders to accept responsibility, including pursuing additional legislation if necessary.

I appreciate the leadership of Chief Justice Moyer who is working with judges and lawyers across the state to use mediation to keep Ohioans in their homes whenever possible.

As the Ohio story continues to unfold, there's no doubt the best chapters are yet to be written. But there are still lessons Ohio's pioneers can teach us.

The settlers of Ohio didn't choose this land because it was easy. Getting to Ohio required them to endure a long journey from the coast on a dusty wagon, or on horseback, or even on foot. By the time they arrived here, the shores of the Atlantic Ocean were many mountains, rivers, and miles in the distant past.

For some, at the mouth of the Ohio River in Pittsburgh, the journey got easier. Pioneers on a westward trek could buy a flatboat there to carry them down the Ohio River.

Now a flatboat was just like it sounds – a flat, simple, barge-like boat. It had a small shed on top to provide shelter, and nothing else. No engine, no sail, no means of propulsion except the river itself.

From Steubenville to Cincinnati, these new Ohioans tied up their flatboats – not because they had reached the end, but because they had reached a new beginning. They saw a place where they could build their future.

But what did they do with all those flatboats?

Well they certainly didn't abandon them. Nor were they used for firewood, though I'm sure that was tempting. No, what the settlers did was dismantle the boats and use the wood to build cabins. Out of a simple means of transport, early Ohioans built their first homes.

That tells you something about how smart and practical Ohioans are.

And as I see it, that's how we must approach the challenges we face today. We can't afford to waste any resource. And we can't substitute a short term fix for a long term benefit.

A generation ago, Ohio was known for our manufacturing might. Today, the diverse economic power of the state is harder to summarize in just one word. Because, we are 3rd among the 50 states in manufacturing, and 5th in Fortune 500 companies, and 7th in the production of bio-resources. If we were a country, Ohio's economic output would rank us 26th among all the nations of the world.

The strength of Ohio is no accident. We are here today because of the steely determination and undaunted courage of Ohio's pioneers. We are here today because no obstacle could overwhelm their optimism or dampen their adventurous spirit.

What would we do if we had that spirit? What could we do if we weren't afraid?...If we weren't afraid to work in common purpose for the common good?...If we weren't afraid to put aside legitimate differences and seek innovative solutions?...If we weren't afraid to risk an occasional setback in pursuit of lasting success?...If we weren't afraid to trust each other?

We all know, we're facing a serious national economic downturn.

In 2007, the nation was hit by the sharpest rise in inflation in 17 years.

Construction of new housing dropped to its lowest level in 15 years.

Oil hit its highest price ever. When 2007 began, a barrel of oil was 50 dollars. Before the year was out, it was 100.

As prices fly high, wages sit stagnant.

Last year, unemployment rose in 36 states. December produced the largest one month increase in national unemployment in seven years. And just last week we heard the jarring news that the nation as whole actually lost jobs in January, the first monthly loss in five years.

The nation's distress is felt here as well.

The weak economy is a burden to all Ohioans and a burden to our state government. And, like most states, we now confront a budget gap.

Our Office of Budget and Management and our Department of Taxation project that this economic slowdown will leave the state facing a shortfall of more than 700 million dollars.

Though the budget we passed was already lean, I have a constitutional duty to keep it balanced. And that's why I have directed state agencies to implement more than 733 million dollars in cost savings, management strategies, program reductions and efficiencies.

But we can't stop there.

The people of Ohio did not entrust us with our leadership roles simply to deal with the difficulties at hand. We must have the courage to face our problems and then reach beyond them toward the prosperity that lies in our future.

In the face of this challenge, we cannot simply put a patch on the budget without redoubling our efforts to create good jobs for Ohioans.

My friends, the state of the state is resolute. We are challenged, but we will not back down. The people of our state expect a future that lifts us all. That is our calling, and we shall answer that call.

The scripture says: "Let us not lose heart in doing good, for in due time we will reap if we do not grow weary."

And so we must cast aside fear, cast aside indifference, and summon the spirit and courage that brought the first Ohioans to this land.

Because, this difficulty is also an opportunity. We can seize this moment to aggressively pursue a path of fiscal responsibility and shared prosperity.

We can take this moment to commit to a standard: Ohio will be first among its peers and a competitor among all nations.

It would be irresponsible to remain in neutral when we need to be in high gear. These times demand swift and significant action.

In response to the economic challenges we face, I am announcing *Building Ohio Jobs*, a major new financial investment in our state, an investment to pursue two central goals. We will create thousands of new, good-paying jobs. And we will do that while laying the foundation for our future economic prosperity.

This 1.7 billion dollar jobs stimulus package will create more than 80,000 new jobs while also investing in the infrastructure and industries that will light our path to the future.

My plan is simple. We will issue 1.7 billion dollars in new bonds. Legally those dollars will only be allowed to be used for the specific purposes outlined and for no other purpose. And we will require every dollar to be audited by our state's independently elected state auditor.

No one likes additional debt, including me. But the national economic downturn is costing us jobs. And we need to act quickly.

Now here's what we're going to do with those resources and how we're going to create jobs.

We will invest 250 million dollars in the advanced and renewable energy economy, including solar, wind and clean coal.

We will invest 150 million dollars in our state's infrastructure to help create a seamless network of roads, rails, and ports to support our logistics and distribution industry.

We will invest 100 million dollars in bioproducts that use renewable sources instead of petroleum to create plastics and other products.

We will invest 200 million dollars in the biomedical industry, saving lives by fueling Ohio's leadership in new medical products.

We will invest 200 million dollars establishing the Ohio Main Streets Renewal initiative to spur redevelopment in downtown neighborhoods in our cities and towns.

We will invest 400 million dollars in the Clean Ohio fund, to advance our efforts to reclaim brownfields and other damaged lands and preserve farm land and open spaces.

And, finally, we will invest 400 million in the Ohio Public Works Commission to help our local partners with road, bridge, water and sewer projects. These are projects that spur growth in our cities and towns, and make them places where people want to live and companies want to do business.

Added together, these initiatives stand to create more than 80,000 new, good-paying jobs in Ohio.

In Perrysburg, First Solar produces more thin-film solar panels than any other facility in the country. Rising international demand has led them to double the size of their staff in the last two years. This happened here in Ohio because First Solar's efforts were nurtured by the publicly-funded Wright Center at the University of Toledo. We have a base of manufacturers and expertise in Ohio that, if supported, can lead the state and the nation.

And that's why our *Building Ohio Jobs* plan will invest in energy.

Logistics is moving your products from where you make them to where you sell them. More importantly, what logistics means for Ohio is jobs.

Avon Products sells 9 billion dollars worth of goods each year. Avon's search for a new distribution center led them to Zanesville. They are creating 500 jobs and are investing 117 million dollars in their facility. Ultimately, half of their U.S. product line will move

through this new center. With two interstate highways and rail access, the Zanesville area is prime territory for distribution facilities. But we would not have been able to accommodate Avon's center and all the jobs it brings without creating vital intersections between modes of transportation.

And that's why our *Building Ohio Jobs* plan will invest in our distribution infrastructure.

Cleveland's Global Cardiovascular Innovation Center is a 250 million dollar public-private partnership formed to develop new cardiovascular products. It will create hundreds of new jobs, and more importantly, it will help countless patients in Ohio and around the world overcome a terrible threat to their health. The state's commitment to bioscience is a major reason why Ohio hosts 25 percent of all clinical trials conducted in the U.S. This is research that creates jobs and saves lives.

And that's why our *Building Ohio Jobs* plan will invest in biomedicine.

In the village of Continental, a Public Works Commission project improved Township Road 22 to allow it to withstand heavier loads. The new road allows New Millennium Building Systems to produce and ship heavier steel joists. Instead of losing the company and its 100 jobs, New Millennium is staying and expanding in Putnam County.

And that's why our *Building Ohio Jobs* plan will invest in public works.

Watching, wishing, and waiting will not create Ohio jobs. But a bold and balanced investment in Ohio will.

Building Ohio Jobs, and all these programs within it, represent a commitment to opportunity and strength, to fiscal responsibility and shared prosperity. It is an investment in job-creating industries, in our communities, and in our workers. And it will create opportunity today, tomorrow, and for generations.

Higher education is a major driver of our economy. Our colleges and universities provide the workers, the ideas and jobs that our state needs to grow.

Ohio used to have one of the most highly educated workforces in the country, but that is no longer true. It is clear that we must increase the number of college graduates in Ohio if our citizens are going to have good jobs and rising incomes in the coming years.

Our Chancellor of Higher Education is required to construct a ten-year plan for Ohio's colleges and universities. While that work continues, I want to share with you some of the most important commitments we will make in this plan. These commitments will reshape the future of our schools and our state.

Last year we created the University System of Ohio. Our public colleges and universities will maintain their unique character and strengths. But as members of the University

System, all of our schools will be united by a common mission to serve the state and its people.

Ohio has universities that are recognized as national and international leaders in their fields. These universities keep our young people here and attract talent from around the globe. They spur innovations that lead to new jobs. Our plan will raise the quality of all our academic programs, and will guarantee that anyone who is prepared and qualified will be able to afford to go. We will do this by operating creatively and efficiently, building centers of excellence, and increasing the amount of funds we raise publicly and privately for financial aid.

But to expand the number of college graduates in Ohio, we must also build a system that is flexible enough to serve the potential students we are missing. Many Ohioans who are interested in furthering their education are not able to spend the traditional four years on one of Ohio's main university campuses. Many are working full-time or caring for a family, or both.

Forty years ago, Governor Rhodes saw the changing industrial economy and understood that Ohioans could no longer go from high school to the factory floor. And so he launched a grand project to build a community college, technical college or regional campus within thirty miles of every Ohioan.

Thanks to Jim Rhodes' foresight, we have a higher education infrastructure that rivals any state in the nation. Today, our challenge is to better use that infrastructure. We must provide Ohioans what they need to succeed in the 21st century – access to high-quality, affordable associate and bachelor's degrees.

Today I'm announcing that the ten-year plan for the University System of Ohio will guarantee that a high quality associate and bachelor's degree in the academic fields necessary to land a good job will be available on a campus within thirty miles of every Ohioan.

Let's take the case of a 25 year-old working mom in Middletown. She needs classes taught nearby, at times that fit her schedule. Today she has access to a wide range of associate degree programs at Miami University's regional campus. But to complete a bachelor's degree in most fields she would have to go elsewhere. Under our plan, two great schools, Miami University and Sinclair Community College, are working together to expand the number of associate and bachelor's degrees – all in Middletown.

When our plan is fully implemented, this young mother will have access to all the classes needed to earn an associate degree and a bachelor's degree, right near her home and her family.

Our plan will turn the cost of her education on its head. For students seeking a bachelor's degree, Ohio is now among the ten most expensive states. Under our plan, the young

mother in Middletown – and every Ohioan – will have access to a high-quality bachelor’s degree that will rank among the ten least expensive in the nation.

Middletown is just one example. We have invited schools all over the state to partner together in fulfilling this vision, and they have responded eagerly.

Another thing we must do to increase the number of college graduates in Ohio is to stop thinking about high school as an end in itself. Whether through college or technical training, our young people must be brought up with the expectation that they need to continue their education beyond high school.

Building on the existing Post Secondary Enrollment Options plan, today I am announcing that I have directed the Chancellor to give every twelfth grader who meets the academic requirements a choice, of spending their senior year in their home high school, or spending it on a University System of Ohio campus.

Tuition for the year will be free.

We will begin enrolling students in this plan, for the upcoming school year. Participating seniors will then graduate from high school ready to start their sophomore year in college. In fact, students will receive their high school diploma and one full year of college credits at the same time. The credits will transfer in full to public institutions, as well as many private colleges.

I call this initiative *Seniors to Sophomores*. Its goal is to raise the aspirations of all students, to challenge students who might feel disengaged from their high school studies, and to help students who want to accelerate their college education. And, just think about the effect on a family’s budget when they save the cost of an entire year of college tuition.

Now, some think of primary and secondary education in Ohio as a problem to be solved. But our schools are not problems, they are solutions.

In fact, there is much good news about our schools.

Just last month Education Week’s report card on the nation’s schools placed Ohio 7th among the 50 states.

In September, results of the National Assessment of Educational Progress showed that Ohio ranked in the top 10 in all four of its measures.

We’re grateful for the efforts of our students and our teachers who have made us all proud. And we are thankful for the countless leaders in this state, including many in this chamber, whose efforts have strengthened education in Ohio.

But while we are holding our own with most states, we have not kept pace with much of the world. And we still must work to ensure that all our schools can meet the needs of all our students in this globally competitive environment.

Since I was sworn in as governor, I have met with dozens of groups to discuss education. I have listened to educators, business leaders, researchers, parents, and many others. I have considered their experiences and the evidence they have marshaled, and taken heed of a lifetime of observations the First Lady and I have made.

All these discussions have led me to embrace the following vision for our schools: we must create learning environments that foster and nurture creativity, innovation, and global competency.

And I have developed six core principles that will guide our efforts to achieve that vision.

First, we cannot address our education challenges without strengthening our commitment to public education. As a practical matter, the vast majority of Ohio children are and always will be educated in the public school system.

Second, a modern education must be directly linked to economic prosperity. Ohio cannot thrive without understanding that world class schools will produce a talented workforce, and a talented workforce will attract and create jobs.

Third, we need to identify the great strengths of our schools. There are features in our education system that the rest of the world seeks to emulate, and we must build on these triumphs.

We excel internationally in our ability to foster creativity and innovation. These skills fuel a lifetime of success, especially in an evolving global economy.

Ohio schools produced the minds that created Superman, with his fictional X-Ray vision, and the mind that invented the MRI, giving doctors the very real ability to painlessly view inside the human body. Ohioans are visionaries, but practical as well. It wasn't long after a pair of Ohioans invented the airplane that another Ohioan invented the parachute.

Our schools must teach students to think past the limits of what's been done, and imagine what could be done.

Fourth, our best teachers can show us what works best in the classroom. We need to consult them and follow their lead.

Great teachers can be a resource not only for their students but for their fellow educators. We should support these teachers by giving them the freedom to stay in the classroom and still be rewarded for sharing their expertise with their peers. We lose a lot of new teachers – as many as half of all new teachers leave the profession in the first 5 years – but we can help keep these talented people by giving them better access to senior colleagues.

Fifth, we must strive to develop a specific, personalized education program that identifies how each individual student learns and use the teaching methods appropriate to that student's needs and abilities.

The great educator and philosopher John Dewey described this idea many years ago. He wrote that we must shift "the center of gravity" in schools. It's a "revolution, not unlike that introduced by Copernicus when the astronomical center shifted from the Earth to the sun. In this case, the child becomes the sun around which the appliances of education revolve."

And sixth, testing and assessment will continue to answer accountability questions. But their most important role will be to guide personalized and individualized education through a comprehensive and ongoing understanding of a student's capabilities and weaknesses and growth in the educational process.

I will be guided by these principles as I draft my plan not only for funding, but also for reforming our schools.

I will follow these principles in pursuit of a clear standard: schools that rank among the best in the world and meet the needs of every Ohio child.

Last year this legislature – led by Speaker Husted – advanced legislation that gave the governor the authority to appoint the Chancellor of Higher Education. By doing so, you provided a clear line of accountability. You enabled me and future governors and legislatures to pursue a vision of higher education on behalf of all Ohioans.

I believe the time has come to do the same for primary and secondary education.

The governor and the legislature are responsible for the success of our schools. The voters will rightly hold us accountable for the education results we produce.

Therefore, we should have authority over the management of the Department of Education.

Today I am calling for the creation of a new position: the director of the Department of Education. This office would be appointed by the governor, subject to approval by the Senate.

The director would have oversight over all Department of Education efforts.

The existing structure, including the State Board of Education and the State Superintendent of Schools, would remain in place in advisory and additional roles as determined by the director.

The most important duty of the state should not be overseen by an unwieldy department with splintered accountability. This change in organizational structure will ensure, like

higher education, that there is a direct line of responsibility and accountability in K through 12 education. It will ensure that our elected and appointed leaders are working together to strengthen education in Ohio.

Education is the central issue I face as governor. I am determined to bring real change and real results. But I am also determined to find the best answers. We are creating a blueprint for the future of our schools and our state. And we will take the time to get it right.

The director and I will take all the best ideas and evidence available from those that care about education in Ohio, and I will put my plan for Ohio's schools before the people of Ohio next year.

Ohio's future does not belong to those who lack courage.

We will not be held back by those who cannot imagine a tomorrow brighter than today.

It's true we are not immune from the economic problems of the country. But neither are we indifferent to their solutions.

Our Building Ohio Jobs plan will allow us to make strategic investments in the energy economy, in bioproducts, biomedicine, and logistics. It will allow us to revitalize communities and invest in local infrastructure.

More than anything, right now Ohio needs jobs. And these investments will bring jobs.

Shakespeare wrote that "courage mounteth with occasion." My friends, this is the occasion.

We must have the courage to recognize the challenges facing our people. We must have the courage to invest in ourselves in order to make Ohio stronger.

Let me repeat an earlier question.

What can we do if we aren't afraid?

We can succeed.